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Official Records

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New York

President: Mr. Ping ..... (Gabon)

In the absence of the President, Mr. Verbeke (Belgium), Vice-President, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 84 (*continued*)

Follow-up to and implementation of the outcome of the International Conference on Financing for Development: High-level Dialogue of the General Assembly on Financing for Development

Reports of the Secretary-General (A/59/800 and A/59/822)

Notes by the Secretary-General (A/59/826 and A/59/850)

Summary by the President of the Economic and Social Council (A/59/823)

Note by the Secretariat (A/59/855)

Conference room paper (A/59/CRP.6)

The Acting President (*spoke in French*): I now give the floor to Her Excellency Ms. Leire Pajín Iraola, Secretary of State for International Cooperation of Spain.

Ms. Pajín (Spain) (*spoke in Spanish*): I would like to begin by stating that the Secretary-General's report and the outstanding work of his team will serve as a great help in moving ahead decisively in the coming 10 years.

We would also like to associate ourselves with the statement made by the presidency of the European Union (EU). It underlines Spain's satisfaction with and complete commitment to the ambitious timetable and objectives that were adopted in the last EU Development Council regarding the fight against poverty.

We have clear objectives and a time frame to achieve them, and we know the efforts that we must undertake in order to accomplish them. We must add commitment and responsibility to a message of hope. It is possible to achieve the objectives that we have set; we still have time, but the results and the outcome cannot wait. If we fail, our Governments and leaders will be criticized for not following through and not being capable of facing the challenges of our time.

We must, therefore, enhance our efforts. What we have done until now is not enough. Our responsibility as Governments is never to ignore the fact that we must increase the resources devoted to official development assistance (ODA); we must improve the quality of our investment in development; and we must improve the consistency of the public policies that affect development.

As President Zapatero has already confirmed, Spain is firmly committed to doubling its ODA in the next four years, achieving 0.5 per cent of its gross

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domestic product (GDP) in 2008, with the objective of attaining 0.7 per cent in 2012.

Quantity, quality and coherence are our guiding principles. Quality is being achieved by the changes we are implementing in our cooperation system that place the Millennium Development Goals (MDGs) at the core of the Spanish development policy. In this regard, we will strengthen our commitment to the least developed countries and, in general, to sub-Saharan African countries, where we will direct at least 20 per cent of our ODA. We will also increase the current flow of ODA to Latin America and North Africa, with particular emphasis on middle-lower income countries.

Poverty has multiple dimensions. Income is fundamental to analysing it and to put initiatives in place; but it is not enough. We believe that we must continue fighting poverty, defined as a lack of opportunities, capacities and options, in order to maintain a decent standard of living.

There is no doubt that these capacities and opportunities are determined in great part by disposable income levels, since they determine access to goods and services necessary to maintain a decent standard of living. Nevertheless, from the Spanish cooperation perspective, we believe that the host of features that define poverty are not solely material in nature. The high vulnerability and the lack of empowerment and representation of women are other key dimensions when fighting poverty. The Cairo objectives are even more valid today than they were 10 years ago, and we should not decrease the intensity of our endeavours in that field. A great deal more progress is needed on the Millennium Goals related to gender and equality. We cannot be satisfied with what we have attained until now; we must do much more.

We must add yet another important strategic dimension when trying to eradicate poverty: the reduction of inequalities among countries, as well as within them. Here, I want to confirm the commitment of Spanish cooperation with the poorest of people in developing countries, those without any opportunity to have a decent life. The Guiding Plan of Spanish Cooperation 2005-2008 envisages that at least 20 per cent of ODA will be targeted to basic social sectors, in accordance with the 20/20 initiative.

Along with this, a stronger commitment by countries belonging to the Organization for Economic Cooperation and Development to Goal 8 and to the key role played by a global partnership for development is necessary. That commitment must be reflected in an international trade policy better geared towards the needs of developing countries, with more decisive and generous measures on the problem of excessive foreign debt and the essential responsibility to future generations with regard to the environmental sustainability of our planet. To sum up, it is not about encouraging development with one hand and impeding it with the other.

In matters of foreign debt, Spain wants to go beyond the requirements set by international agreements. We intend to promote new efforts in matters of foreign debt that transcend our bilateral obligations in the framework of the Heavily Indebted Poor Countries (HIPC) Debt Initiative and to contribute decisively to the solution of the problem of the external debt of these countries with the multilateral financial institutions.

The type of partnership we advocate is one that gives priority to sincere and respectful dialogue among countries in order to find the best approaches to eradicating poverty and that, along with an essential increase of resources, is accompanied by a stronger commitment by donor countries towards fairer, more balanced and comprehensive development.

In those challenges and responsibilities civil society must be not only a demanding and critical partner, but also one that shares the objectives towards which we are striving. A few days ago in Madrid, a demonstration took place to promote the MDGs, demanding that Governments fulfil their commitments. That is a good example of awareness-raising within a demanding society on which we have to count in order to make substantial progress.

My country will strengthen its commitment to close coordination with multilateral organizations and donor partners to fight poverty and to promote sustainable human development.

We will continue to increase our efforts to promote the development of the least developed countries, but we will also continue to recall that we cannot forget the middle-income countries — in particular countries with middle-low incomes — which are also facing serious development problems and, in many cases, the risk of political, social and economic regression. We are aware of the need to reorient our work and our priorities in those countries and of the

importance of reinforcing issues such as governance, the proper functioning of institutions and the necessity of fiscal reform and redistribution of wealth.

Ultimately, the fight against poverty is a moral obligation for Governments and an ethical commitment on the part of the citizens. We cannot look the other way or act halfheartedly; our results cannot wait.

The Acting President (*spoke in French*): I now give the floor to His Excellency Mr. Lyubomir Datzov, Vice-Minister of Finance of Bulgaria.

Mr. Datzov (Bulgaria): We welcome this high-level meeting as a timely opportunity to review the implementation of the Monterrey Consensus and to reconfirm and, where possible, elaborate on the commitments already undertaken in the crucial area of financing for development.

Although the United Nations has made significant progress in implementing the Millennium Development Goals (MDGs), it is clear that more political will and concrete action are needed to sustain the momentum and, as the Secretary-General put it yesterday, turn poverty into history. Bulgaria has always regarded economic and social development as an incremental and coherent effort of all parties involved in the process, rather than as the application of some short-term, miraculous solutions. We believe that efficient national development strategies largely depend on a complex combination of factors, including each country's ownership of its future, the full mobilization of sometimes insufficiently used domestic resources, and adequate support from the international donor community.

In addition to increased levels of official development assistance, new innovative sources of financing, such as the proposed international finance facility and others, are now being actively considered by the international community. We take positive note of all relevant initiatives in that regard. The expected benefits from those proposals should be carefully balanced against potential difficulties and obstacles to their implementation.

We cannot emphasize enough that the quantitative side of financing for development goes hand in hand with the quality and effectiveness of development assistance, including the reliable absorption capacity and economic sustainability of each individual country. As our own experience has shown, commitment to radical market reforms, democracy and the principles of good governance is of crucial importance.

We see our task today as helping to identify successful and working practices in the areas of development, going beyond generally agreed principles. Therefore, allow me to share several examples of best practices and lessons learned, taken from the experience of Bulgaria and the region of South-East Europe over the past 15 years.

Sound financial and macroeconomic policies — in the case of Bulgaria, realized through framework agreements with the International Monetary Fund, World Bank financing and a currency board arrangement — have proven to be an effective working tool for achieving long-term financial stability and for opening the way to sustainable economic growth. The Bulgarian economy has enjoyed a steady economic growth of 4 to 5 per cent annually in the past seven years.

The successful operations performed by our Government in the management of its foreign debt have led to its restructuring and effective reduction in the past 10 years. Bulgaria has been able to reduce its foreign debt from over 100 per cent of gross domestic product to about 38 per cent in March this year.

Our experience has clearly shown the importance of transparent and effective governance, establishing the rule of law in both the judicial and the economic sectors, as well as efficiently combating corruption and organized crime at the national and regional levels.

There is a direct link between security, development and conflict prevention. A stable, predictable and conflict-free environment acts as a magnet for foreign direct investment. In 2004, the volume of foreign direct investment in South-East Europe reached the level of 5 per cent of the regional countries' collective gross domestic product.

Despite those encouraging figures, it is clear that more efforts are needed. We should always keep in mind that it is much more cost-efficient to invest in modern infrastructure than to pour money into peace enforcement and peace-building operations. Regional and bilateral transborder cooperation based on modernized transport, telecommunications and energy infrastructure areas provides additional guarantees and incentives for development and prosperity.

In conclusion, let me express our hope that the forthcoming United Nations summit will be able to transform the momentum achieved so far on the global development agenda into new bold and creative decisions, taking us closer to the achievement of the lofty Millennium Goals to which we have all subscribed.

The Acting President (*spoke in French*): I call on His Excellency Mr. Mauricio Gómez Lacayo, Vice-Minister-Secretary of Economic Relations and Cooperation of the Ministry of Foreign Affairs of Nicaragua.

Mr. Gómez Lacayo (Nicaragua) (*spoke in Spanish*): We have listened very closely to the various statements that have been made regarding future prospects for international cooperation and its link to the Millennium Development Goals. We have also heard about the international financing mechanisms that must be perfected to improve living standards, the primary indicator of development that should guide our work.

We have given much thought to this subject in the various follow-up meetings to the Monterrey Conference held by the Economic and Social Council and the High-level Forums on Joint Progress Toward Enhanced Aid Effectiveness in Rome and Paris. It became clear at those meetings that donors and countries recognize the lack of effectiveness and impact that cooperation has had, and that we are prepared to change our methods and to act to benefit those who are most needy, and thereby ultimately identify, formulate and implement cooperation programmes and projects.

I wish to focus on the issue of the quality of official development assistance as the channel that most closely meets Nicaragua's needs as a receiver of cooperation and that is the key to the success of the various points in the Monterrey Consensus. Many countries represented here have reiterated and reaffirmed their commitment to increasing their cooperation to 0.7 per cent of their gross national income. However, we are more interested in the quality of cooperation and of the implementation of resources. We need resources to be used more efficiently and effectively and to have a greater impact. They must have a more direct influence on the sustainable social and economic development of countries.

Our countries have joint programmes with the International Monetary Fund to facilitate economic growth and the reduction of poverty. They establish ceilings for public investment and common expenses, sometimes making the principle of additionality somewhat irrelevant to us. Nicaragua has raised that issue in a number of forums. Over the past 25 years, we have received more than $20 billion — more than Europe received under the Marshall Plan, in nominal terms, after the Second World War.

But what results have been achieved? In order to understand the reasons for this great failure, we must consider the conditions in the receiving countries, the methodology and philosophy behind the cooperation provided by the donor community, and the activities of all actors in civil society and private sector to promote development. In the field of development, I believe that we have all taken the wrong road.

Nicaragua and other countries have assumed ownership and leadership in establishing national development strategies and creating tools and instruments to ensure effectiveness, efficiency and transparency. The same must be done by the international community if we are to assume shared responsibility, one of the most important objectives of the process.

On the basis of all that, we have participated actively in the follow-up to Monterrey, in the Rome and Paris High-level Forums, and in the work that has been carried out most ably by the Development Assistance Committee of the Organisation for Economic Cooperation and Development.

We have given a great deal of thought to the statements of good will that have been made. Value has now been added through the matrix of goals and indicators set forth in the resolution adopted at the second High-level Forum on Joint Progress Toward Enhanced Aid Effectiveness. However, Nicaragua believes that we are the countries that, together with the cooperation community, civil society and the private sector, must create quick-action mechanisms for development based on specific agreements to move forward with better appropriation, harmonization and alignment of cooperation, in line with the priorities of the receiving countries.

Nicaragua has introduced a national development plan that focuses on economic development through investment in the production sector and in the

economic infrastructure. In that way, we can make investment and social spending sustainable in the medium and long term and thereby reduce our dependence on external resources. We must achieve a better balance between investment in the social sector to attain the Millennium Development Goals and investment in the production sector, which will ensure that we can meet our obligations ourselves by promoting additional income from tax flows and fairer redistribution of those resources.

We can demonstrate that cooperation can work and that it can generate economic growth, thereby eradicating poverty. But we need to pledge ourselves anew to the commitments made in the context of the existing development partnership. Today's world demands qualitative leaps forward in the way we engage in development cooperation.

In the area of debt relief, much progress has been made in the framework of the Heavily Indebted Poor Countries (HIPC) Initiative, but a bit more remains to be done to achieve the sustainability of debt, which is equivalent to 150 per cent of exports.

We welcome the announcement of the countries members of the Group of Eight (G-8) for their expressed willingness to make progress towards cancelling 100 per cent of multilateral debt. Nicaragua has written off 72.8 per cent of its debt over time. We need better criteria for details and procedures to make that happen in the shorter term. We were somewhat surprised that the Inter-American Development Bank — the great multilateral creditor of the countries of our hemisphere — was not included for the region of Latin America and the Caribbean.

Another subject we should like to highlight regarding debt relief is that once these announcements of additional reductions are made, rumours arise of reductions in additional cooperation resources. I reiterate: we are not asking for more resources, but for better-quality cooperation in stable and predictable amounts.

I now turn to the subject of private investment and trade. In a globalized world where we promote open trade policies, it is essential to improve public investment and, as part of that, official development assistance to countries that receive only external cooperation. We need to provide better-focused public investment and improve the quality of external resources if we are to promote trade and investment on more equitable terms.

Free-trade treaties offer great opportunities that must be maximized, but also challenges that must be mitigated. That is possible only if we properly direct resources towards increasing competitiveness in countries, creating an environment conducive to self-development and thereby eliminating internal inequalities and disparities, which persist in all countries.

Since internal structure was addressed in the Monterrey Consensus, I should now like to touch upon the subject of governance.

To be able to govern, we must be able to control our own resources and those of external cooperation. If we lack control over cooperation projects and their means of implementation, we cannot govern all domestic sectors. Our legal institutions cannot do their work if there are parallel structures that distort rather than strengthen national capacities. Capacity-building is essential if we are to be able to strengthen governance and national structures. We must also invest in the governance sector and, in particular, the rule of law and respect for contractual rights and obligations. We must invest in national institutions.

Along those lines, access to public services must be seen as a human rights issue. If those resources are not properly channelled, we will not achieve our goals and, by not obtaining those benefits, will create ungovernability.

Three years after the signing of the Monterrey Consensus, Nicaragua can affirm that it has done its utmost to honour its agreed commitments. We want to work together in a new development partnership with clear and specific commitments to harmonize and align external resources — a partnership with all development actors, including civil society and the private sector. We need the dedicated support and participation of all to achieve that goal.

The Acting President (*spoke in French*): I now call on His Excellency Mr. Pedrag Boskovic, Vice-Minister for Foreign Affairs of Serbia and Montenegro.

Mr. Boskovic (Serbia and Montenegro): I am honoured to address this important meeting on behalf of Serbia and Montenegro and to express its great interest in the ongoing reform processes.

I take this opportunity to express once again my appreciation for the final report of the United Nations Millennium Project, "Investing in development: a practical plan to achieve the Millennium Development Goals" (A/59/727) — the so-called Sachs report — and the report of the Secretary-General entitled "In larger freedom: towards development, security and human rights for all" (A/59/2005). In view of the Secretary-General's recent recommendations, we expect 2005 to be the crucial year for the mobilization of the international community towards the radical improvement of life in developing countries and the achievement of the Millennium Development Goals (MDGs) by 2015.

We call for all States to display the political will to implement the Doha Development Agenda and for its full implementation by 2006. We espouse the obligation to make the World Solidarity Fund, established by the World Summit on Sustainable Development, more efficient.

Serbia and Montenegro fully supports, and invests efforts in, the implementation of the United Nations Millennium Declaration, aimed at improving the living standards of the population and accelerating development. Key factors in that regard would be active participation in international trade and a major inflow of foreign investment. Among the prerequisites for achieving the set goals are the development of infrastructure, including roads, docks, water and energy supply systems, telecommunications, schools and hospitals; the introduction of new technologies and environmental management; et cetera.

We support the initiative, set out in the Sachs report, to enhance the quality and increase the impact of aid. Experience has shown that aid is most effective if it is provided in sufficient quantities and is properly distributed. Developed countries must provide assistance primarily to those countries that have demonstrated resolve in implementing reforms of their economic and political systems, opening their economies and fighting corruption.

We also support the recommendations regarding increasing the official development assistance of industrialized countries by one tenth of a percentage point, from 0.44 to 0.54 per cent of gross national product, by 2015. Donor countries should accelerate their achievement of the long-term goals by reaching the 0.7 per cent target by 2015.

We view as very important the Sachs report's recommendations on increasing assistance to countries making progress in achieving the Millennium Development Goals as early as 2005. Serbia and Montenegro is one of those 68 countries. In addition, developed countries should set time limits for the increase of ODA and should achieve the target of allocating 0.15 to 0.20 per cent of gross national product for ODA to least developed countries. Serbia and Montenegro espouses the European Union's positions regarding the initiative to find new sources of development, the inclusion of new development financing mechanisms and the setting of appropriate ODA goals for 2009-2010.

To monitor the implementation of the Millennium Development Goals, the government of the Republic of Serbia established a working group in October 2004 to monitor the achievement of the Millennium Declaration goals and targets. A group of national experts in the areas of health, education, social policy, environmental protection and the development of global partnership relations has prepared, with significant support from the United Nations, a review of the implementation of the Millennium Development Goals in Serbia.

The Republic of Montenegro bases its achievement of the MDGs on integration into the European Union, the harmonization of its laws with those of modern States, the reduction of poverty, the strengthening of democratic processes, the integration or return of refugees, and regional cooperation. The Government of the Republic of Montenegro has defined its strategic development goals and set a programme of economic reforms in the Agenda of the Economic Reforms of Montenegro, in line with the poverty reduction strategy, while the report of the implementation of the Millennium Development Goals in Montenegro is under preparation.

I take this opportunity to recall that Serbia and Montenegro fully supported the preparatory processes of the High-level Plenary Meeting of the General Assembly at its sixtieth session, scheduled to take place in September. In wishing it every success, Serbia and Montenegro will continue to invest its best efforts into making international cooperation for development one of the central themes of the United Nations.

The Acting President (*spoke in French*): I call on Her Excellency Ms. Ana Hrastović, Vice-Minister of Finance of Croatia.

Ms. Hrastović (Croatia): It is a great pleasure and privilege to address this timely High-level Dialogue on Financing for Development here in New York, the place where our heads of State and Government shall meet in September in order to review the Millennium Declaration. Croatia has fully aligned itself with the statement made yesterday by the representative of Luxembourg on behalf of the European Union (EU) presidency, so I will not repeat the points made therein. I will just outline a couple of additional issues that, from the Croatian point of view, deserve some attention, mostly as lessons learned that we would like at this stage to share with others.

Croatia is one of the countries rated as very likely to achieve all of its specific Millennium Development Goals (MDGs). It is important to note that the MDGs are very similar to the goals that we ourselves try to accomplish within our own economic strategy. That strategy is in line with steps we need to make on the path towards EU accession, and it is further supported by the programmes we have designed with the Bretton Woods institutions. The first lesson learned in achieving progress towards the MDGs is the need for clear country ownership.

Secondly, country ownership, enhanced by the mobilization of all domestic resources and close cooperation and coherence of policies among development partners, is of crucial importance. Our economic strategy, outlined in Croatia's first pre-accession economic programme, which we submitted to the European Commission in December last year, is consistent with the policy programme supported by the Stand-By Arrangement of the International Monetary Fund, and the overall macroeconomic policy will also be supported by a number of structural measures to be further enhanced by the World Bank. The main pillar of our programme is the fiscal adjustment needed to limit external vulnerability and the increase of Croatia's external debt-to-gross domestic product ratio. At the same time, our programme aims at enhancing transparency and financial management in the Government and the broader public sector and at accelerating key structural reforms, including judicial, health and public administration reforms. That programme should have a positive impact on the business environment, helping to attract not only privatization, but also non-privatization-related foreign direct investment, and facilitating private sector activity in the medium term. After all, those reforms, together with the previously mentioned economic policies, should pave the way to boosting Croatia's growth potential, to fulfilling the MDGs, as well as to bringing us closer to EU accession. To conclude the second lesson learned, we are convinced that the best way to achieve the MDGs is to integrate country-specific MDGs into domestic economic strategies and to support them further with development partners' programmes.

The third lesson learned is the need to coordinate policies internally. In Croatia, the Ministry of Foreign Affairs and European Integration has been assigned the task of monitoring the MDG process and acting as the main partner of the United Nations Development Programme in implementing MDG activities. My presence here today, representing the Ministry of Finance, clearly demonstrates the good cooperation that exists among ministries and the importance our country attaches to the effective realization of the MDGs. The economic strategy of the Government is primarily developed with the full inter-agency cooperation of all players.

Before turning to my concluding remarks, let me use this opportunity to support improving the processes and capacities at the country level in order to strengthen the voice of developing countries, while not forgetting transitional economies, given that they have often been omitted from recent discussions and even from the speeches made over these past two days. Further capacity-building in transitional economies and countries, such as Croatia itself, is important to support our active engagement in the international development arena and our active participation as shareholders in the Bretton Woods institutions, and not only as borrowers.

Allow me to wish all of us present today and yesterday well in our future undertakings to achieve the MDGs and to prepare for the September summit. I hope that our shared experience and the conclusions we reach will also be reflected in the outcome document of the summit in September.

The Acting President (*spoke in French*): I call on His Excellency The Honourable George Gyan Baffour, MP, Deputy Minister of Finance and Economic Planning of Ghana.

Mr. Gyan Baffour (Ghana): The new concept of development embodied in the Monterrey Consensus provides both a positive framework and the right impetus for developing countries to pursue the implementation of responsible economic and social development agendas, and for developed countries to complement those efforts by supporting and contributing both morally and financially to the poverty reduction agendas of the developing countries. In our globalized world today, both parties cannot but work together if we are to achieve the results envisioned in the international development agenda.

The Millennium Summit could not have come at a more appropriate time for the Government of the Republic of Ghana. The goals and targets agreed to at that forum both vindicate and validate the development initiatives that we have been pursuing since the late 1980s, with the support of our development partners. The Millennium Development Goals (MDGs), together with the recommendations of the Monterrey Consensus, encompass and capture the very essence of the strategies and policies contained in our development framework, the Ghana Poverty Reduction Strategy.

Allow me to briefly expatiate on the national development initiatives that the Government of Ghana has been pursuing in response to the global development agenda over the years, and on the modest but positive results yielded so far.

On the poverty reduction front, Ghana has made good progress, reducing the high proportion of Ghanaians living below the poverty line from 52 per cent in 1992 to 42 per cent in 1997, with a further reduction to 35 per cent in 2003. Access to basic social services has also seen some improvement. More children of school-going age are entering school, as reflected by the modest gain in the primary school gross enrolment rate, which increased from 75.7 per cent in 1999 to 79.5 per cent in 2002 and 81.1 in 2003. Evidence from the country's three most deprived regions shows that the enrolment rate of girls is increasing at a faster rate than that of boys, suggesting that progress is being made towards the achievement of gender parity in education.

Again, modest gains have also been made in the provision of potable drinking water to the populace, as evidenced by the fact that the percentage of the population with access to potable water increased from 37 per cent in 2000 to 44 per cent in 2002.

With regard to health, the gains are less encouraging. The infant, under-five and maternal mortality rates are all worsening.

I mention those statistics not to paint a bleak and negative picture of our development efforts, but to underscore the fact that, in this globalized world, the continued — and indeed, increased — support of the developed countries is necessary if we really wish to make progress.

In its pursuit of sustained economic growth and poverty reduction, the Government of Ghana emphasizes democracy, good governance, transparency, anti-corruption, the rule of law and respect for human rights as the basic essentials for sustained development. The free and fair elections that have characterized the past 12 years of democratic rule bear testimony to the new democratic path that we, as a country, are charting.

In the area of good governance, we have submitted ourselves to the African Peer Review Mechanism and expect to receive a positive rating. On the legislative front, key laws have recently been enacted to ensure the existence of an enabling environment for both the private sector and external investors. Prominent among these are the Public Procurement Act, the Financial Administration Act and the Internal Audit Agency Act. Other initiatives to safeguard the populace and promote transparency include the repeal of the criminal libel law and the adoption of amendments to the criminal and penal codes.

This brief synopsis of some of Ghana's development challenges and the steps being taken to address them gives a clear indication of our need for full implementation of the Monterrey Consensus, with particular emphasis on measures for financing our development agenda. In this regard, we welcome the recent steps taken by some developed countries to increase their development assistance, and we are especially appreciative of those that are currently meeting, exceeding or have pledged to reach the target of 0.7 per cent of their gross domestic product (GDP).

We are also grateful to our development partners for the 100-per-cent cancellation of debt owed to the major multilateral institutions extended to selected

countries, including Ghana, which was announced on 11 June 2005 by the Group of Eight. It is hoped that this will be extended similarly to the remaining African countries. Indeed, the Monterrey Consensus, taken in tandem with the recommendations of the Commission for Africa, clearly underscores the fact that there is no reason why development should continue to lag behind. What is needed is joint and complementary action by both developed and developing countries towards implementing both sets of recommendations. Strong political and financial support by the international community for pan-African and regional organizations, particularly the African Union and the African Development Bank, as well as for initiatives such as the New Partnership for Africa's Development (NEPAD) and the African Peer Review Mechanism, is critical to this partnership.

For many developing countries, such as Ghana, the main challenge to building a global partnership for development lies outside their control. For our part, Ghana has adopted development strategies and followed advice given by the multilateral financial institutions and other development partners to liberalize and restructure its economy. There still remain constraints on our efforts to develop. The main constraint to achieving the Millennium Development Goals (MDGs) is the lack of a congenial global trading system for agricultural products, which are among our main exports.

So long as developed countries do not fully liberalize their markets by reducing high tariffs and removing non-tariff barriers to trade, developing countries will continue to face decreased access to markets in rich countries. In particular, the removal of agricultural subsidies paid to farmers in rich countries will have a tremendous and positive impact on development in poor countries.

In conclusion, I believe strongly that if we jointly agree on strategies to pursue the recommendations contained in both the Monterrey Consensus and the report of the Commission for Africa, the world development agenda will be pushed forward at a much faster pace, with significant development benefits for us all.

The Acting President (*spoke in French*): I now call on His Excellency Mr. Rubén Ramírez, Vice Minister for Economic Affairs and Integration of the Ministry of Foreign Affairs of Paraguay.

Mr. Ramírez (Paraguay) (*spoke in Spanish*): I would like at the outset to welcome the efforts made so far to fulfil the commitments undertaken in the Monterrey Consensus of March 2002. We endorse the statement made by the Minister of State in the Ministry of Foreign Affairs of Jamaica on behalf of the Group of 77 and China, and the statement that the representative of the Lao People's Democratic Republic will make on behalf of the Group of Landlocked Developing Countries.

Paraguay recognizes that, under the Monterrey Consensus, developing countries bear the primary responsibility to mobilize their domestic resources to finance development. We have therefore been implementing a programme to strengthen governance, to combat corruption and to redirect governmental income. At the same time, however, we need timely development assistance, without conditionalities and on favourable terms in order to strengthen domestic mobilization efforts and bring about basic investments necessary for development.

When we met in Monterrey in March 2002 and adopted the Monterrey Consensus, all developing countries were convinced that that instrument was the ideal means, the necessary means, the only means to combat poverty and to enable our countries legitimately to enjoy better standards of living, compatible with human dignity. At that time, we said that the outcome of the Conference was only the beginning of a long road that developing and developed countries must travel together. But we are still far from achieving the goal. One need only look at the most recent report of the Economic Commission for Latin America and the Caribbean, entitled "The Millennium Development Goals: A Latin American and Caribbean Perspective". In its section on findings, general principles and policy challenges, the report says that poverty in our region remains very high: "Of the region's 222 million poor people (42.9 per cent of the total population), 96 million live in extreme poverty (18.6 per cent of the population)". That clearly shows that the gap between the two groups of countries continues to widen, and that there is no solution yet in view to the basic problems that make it difficult to overcome poverty in many developing countries.

We know that, as a complement to official development assistance (ODA), national efforts must play a more decisive role. We are encouraged by efforts to meet the goal of 0.7 per cent of gross national

income for ODA. That goal has already been met by a number of developed countries, and we are sure that those countries that have not yet done so will be in a position to announce their timetables for achieving it.

We are aware that, in order to ensure that the development of small and vulnerable economies, such as the least developed countries, the landlocked developing countries and the small island developing countries, is truly sustainable, a variety of actions will be required to change course towards overcoming structural constraints. These include full and unrestricted access for those economies to international markets. That would make it possible to provide a sustainable source for our financing and would help create the proper scenario for increased direct foreign investments to improve productivity.

The Monterrey Consensus said that trade is the most important source of development financing. However, thus far, developing countries' participation in and profits from world trade have not been considerable, because of the obstacles and distortions in trade, such as subsidies and internal assistance, that stands in the way of the development of our countries. The situation is particularly serious in the case of participation by the landlocked developing countries because of the high costs that landlocked countries must shoulder in shipping products to the principal international markets.

In accordance with the mandate of the Group of Developing Landlocked Countries, Paraguay will be the site of the first meeting of the Group's ministers of trade, which is to take place on 9 and 10 August 2005. It will consider the Group's active participation in the next Ministerial Conference of the World Trade Organization (WTO), to take place in Hong Kong in December. Emphasis will be placed on trade facilitation to clarify and expand on the relevant aspects of articles V, VIII and X of the 1994 General Agreement on Tariffs and Trade. We hope that the developed and developing countries will support these steps, which are aimed at removing barriers to development.

We would like also to emphasize that, during the recent summit meeting at Asunción of the Common Market of the South (MERCOSUR), which took place on 20 June, the heads of State expressed their deep satisfaction at the decision that was taken with respect to the integration and functioning of the MERCOSUR structural convergence fund. That fund will contribute to the reduction of existing structural asymmetries between various countries and to the promotion of competitiveness and social cohesiveness, especially in the least developed countries and regions of MERCOSUR. Our leaders also expressed their commitment to move ahead with the implementation of the Almaty Programme of Action for the Landlocked Developing Countries.

We thank the Secretary-General for his very detailed and focused report on the implementation of the Monterrey Consensus from a regional perspective, and we agree with his observations.

The President took the Chair.

Finally, we would express the hope that the outcome of this plenary meeting and of the round tables will help to ensure the success of the September summit and effectively contribute to overcoming existing difficulties in the areas of development and security.

The President (*spoke in French*): I give the floor to His Excellency Mr. Alounkéo Kittikhoun, the Chairman of the delegations of the Lao People's Democratic Republic.

Mr. Kittikhoun (Lao People's Democratic Republic): Mr. President, I would like to start by thanking you for this opportunity to share our views on the issue of financing for development as we move towards the High-level Plenary Meeting, to be held in September 2005. We believe that it will be a very timely and relevant meeting, for it will provide an important input to the event in terms of financing development in order to achieve internationally agreed development goals, including those contained in the Millennium Declaration.

We thank the Secretary-General for his comprehensive and analytical reports, which highlight the progress made over the past two years and the tasks ahead in the follow-up to the Monterrey Consensus.

We support the statement made by Jamaica, as Chairman of the Group of 77 and China, which offered a detailed assessment of the implementation of the Monterrey Consensus and proposals for further progress in this process.

Financing for development remains an indispensable factor for the sustained socio-economic

growth of developing economies. That is particularly the case for the landlocked developing countries. While mobilization of domestic resources has improved in many developing countries, the efforts made by the landlocked developing countries in that respect remain far from adequate, despite the good national policies that are in place. This is due primarily to the lack of significant economic growth and to the increasing decline in foreign direct investment.

Therefore, for the landlocked developing countries to overcome financial and human resource constraints and move forward in pursuit of their development goals, including the Millennium Development Goals, they should be rendered efficient and effective support by the donor community, without the imposition of any conditionalities or complex procedures.

In that context, we appeal to the international community, especially the donor countries and agencies, to increase official development assistance (ODA) and to facilitate greater flows of foreign direct investment to the landlocked developing countries, so as to enable us to meet our special development needs. Our Group welcomes the European Union's move of setting targets in order to meet the 0.7 per cent ODA commitment by 2015. We hope that other members of the donor community will follow suit in due course.

As the General Assembly is aware, landlocked developing countries have lagged far behind and been marginalized in the world trading system because of their high transport costs, resulting from the lack of territorial access to the sea, remoteness from world markets, poor transport infrastructure, and burdensome border crossings. At present, expenditures by landlocked developing countries on transport and insurance services as a share of total export earnings are, on average, double that of developing countries overall, and triple that of the developed economies. That prevents the landlocked developing countries from reaping the benefits of the international trading system and integrating themselves into the regional and global economic mainstream.

We therefore hope to see an open, equitable, rule-based and development-oriented multilateral trading system serving as an engine for global economic development. In that regard, we stress the importance of concluding the Doha development round by 2006, as called for in the Doha Declaration and Doha Plan of Action by the leaders of the South. In the same vein, we would like to reiterate our call for the current negotiations of the World Trade Organization (WTO) on market access for agricultural and non-agricultural goods to give particular attention to products of special interest to landlocked developing countries, as stipulated in the Almaty Programme of Action.

We also call for the full and effective implementation of the São Paulo Consensus adopted by the United Nations Conference on Trade and Development (UNCTAD) at UNCTAD XI in 2004 and the relevant General Assembly resolutions, which, among other things, recognize landlocked developing countries as small and vulnerable economies and emphasize the fact that the examination of issues relating to the trade of small, vulnerable economies, and the framing of responses to those trade-related issues to facilitate their fuller integration into the multilateral trading system, should be actively pursued consistent with the Doha work programme, taking into consideration the particular needs of landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries.

In addition, it is gratifying for us to note that trade facilitation is included in the next round of negotiations. That element is of particular importance, as landlocked developing countries face additional border crossings, which increase transaction costs and discourage trade. Efficient trade-facilitating measures would go a long way towards tackling the high trade transaction costs borne by the landlocked developing countries because of their geographical handicaps.

Although landlocked developing countries have made a good start in their efforts to follow up and implement the Almaty Programme of Action since its adoption at the 2003 Almaty Conference, much remains to be done to bring it to fruition. Given the difficulties and constraints facing landlocked developing countries, the Almaty Programme of Action will not be translated into reality without adequate financial and technical assistance from the international community. In that regard, we appeal to all stakeholders, in particular the donor community, to maintain the spirit that flourished in Almaty and honour their respective commitments to the implementation of the Almaty Programme of Action.

We would also like to emphasize once again the importance of ensuring that the fulfilment of all other internationally agreed commitments, including those undertaken in the context of the Millennium Declaration, the Monterrey Consensus, the Johannesburg Plan of Implementation, South-South cooperation and so forth, be complementary to the landlocked developing countries' endeavours to translate the Almaty Programme of Action into reality.

The President (*spoke in French*): I give the floor to His Excellency Mr. Hector Muñoz, Chairman of the delegation of Chile.

Mr. Muñoz (Chile) (*spoke in Spanish*): The Monterrey Consensus on financing for development called for the holding of a special high-level meeting of the General Assembly to follow up and assess the commitments entered into in that document.

Today more than ever, it is necessary to strengthen multilateralism. We must move from the evaluation and diagnostic stage to implementation — to the fulfilment of the commitments entered into at the major United Nations conferences and summits in the economic and social fields.

We must move towards a more just and equitable world order, particularly in Latin America, the region with the greatest inequality in terms of income distribution, where 44 per cent of the people are living in various degrees of poverty. We must translate the aspiration to development into a tangible reality.

In this context, Chile participated at an early date in initiatives to deal with hunger and poverty, together with Algeria, Brazil, France, Germany and Spain. Working together, our countries identified a number of innovative mechanisms designed to generate assistance flows additional and complementary to official development assistance. We believe that that genuine, creative effort is consistent with the work being done within the United Nations system and that it has resulted in a set of formulas and options that address the technical and economic aspects of those innovative mechanisms. It will now be possible to implement each and every one of them in accordance with the agreed timetables and technical and institutional requirements.

The Millennium Declaration clearly identifies the goals that must be met by 2015. The Monterrey Consensus and the Johannesburg Plan of Implementation set out the process to be followed and the responsibilities that must be assumed if there is to be concerted, comprehensive and consistent action at the national, regional and international levels.

It has been shown that traditional resources, in the form of development assistance, for which the industrialized world should allocate 0.7 per cent of its gross national product, would not be sufficient — even if that goal were reached — to finance the tasks that must be carried out if we are to achieve the goals that we have set ourselves.

The Technical Group set up by Action against Hunger and Poverty has identified new sources of development resources — not in the form of new institutions, but in that of strengthened and enhanced joint action making use of the instruments of the United Nations system.

Furthermore, in these efforts the international community must contribute to the formulation of focused, consistent and technically viable public policies. Good governance, the fight against corruption, respect for the rule of law and economic and social development, as well as the strengthening of democracy and improved respect for human rights must be considered as essential public assets in the promotion of economic and social well-being.

In this context, Chile reaffirms the need to strengthen and improve mechanisms for action and public policies that promote positive interaction between the private sector and all of the various social actors in the economic and social development of our countries.

In the multilateral context, the World Trade Organization Doha round must be brought to a successful conclusion as soon as possible. We would like to see the building of an international trade system that has clear, equitable and consistent rules, as well as the elimination of practices that distort trade, generate unfair competition and interfere with the terms of exchange and access to markets.

We are in favour of dialogue and concerted action aimed at achieving the Millennium Development Goals, keeping in mind the value of differing visions. We have the political will to help correct the problems associated with globalization so as to ensure that its benefits are better and more equitably distributed and that all countries feel part of the process. No one must be marginalized or excluded from the fruits of

globalization. Thus, we must incorporate new concepts relating to assistance and cooperation, including, for example, triangular and third-generation aid and access to new technologies. We must also think in terms of aid effectiveness, accountability, good practices and ownership.

Chile is participating in these efforts with a view to improving the way in which globalization works and to correcting the problems associated with it. This must be done through joint efforts, regardless of the economic or political influence of each country. We will certainly work in a resolute and principled manner in the implementation and, we hope, the achievement of the Millennium Development Goals.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Zhang Yishan, Chairman of the delegation of China.

Mr. Zhang Yishan (China) (*spoke in Chinese*): My delegation supports the statement made by the representative of Jamaica on behalf of the Group of 77 and China.

Development is not possible without financial resources. The Monterrey Consensus laid out a comprehensive and clear road map with respect to the means of financing development, and the international community has done extensive exploratory work in that regard. However, words have not been translated into action.

While we are engaged in lengthy discussions on financing, there are 1 billion people in the world living on less than $1 a day, 150 million school-age children in developing countries are not attending school and 15 million children under age 5 are malnourished. Furthermore, every minute as we speak, 21 children under age 5 die prematurely and 11 people lose their fight against HIV/AIDS, malaria or tuberculosis.

Adequate financing would undoubtedly save millions of lives and change the destiny of billions. What we need now is action and action alone. Only by enhancing political will through partnerships and by turning consensus and commitments into action can we succeed in achieving internationally agreed development goals, including the Millennium Development Goals (MDGs), at the global level.

It is our shared responsibility to take comprehensive action to mobilize all available forces and raise sufficient funds for poverty eradication and common development. The Secretary-General's report (A/59/822) and other relevant documents have summarized proposals made in recent discussions in international development financing forums; these include many useful ideas. We hope that through dialogue and the exchange of views at these meetings, consensus will emerge and will be translated into action.

In financing for development, what is most urgent now is to bridge the financial gap. In past decades, owing to historical and other reasons, developing countries have not been able to overcome their financial difficulties. Compounding that is the shortage of domestic financial resources and the unfulfilled international financial aid commitments. As a result, a development deficit has persisted. Trapped in poverty, many developing countries — particularly African countries and least developed countries — lack the essential resources for national infrastructure, social services and public management. In some countries, debt servicing has strained valuable resources that could otherwise be channelled to development. Such problems must be addressed. The Marshall Plan helped to put post-war Europe back on its feet, so we have reason to believe that a sharp increase in international aid will help to revitalize developing countries.

While developing countries continue to mobilize domestic resources and to formulate and implement national development poverty eradication strategies, the international community should respond actively by increasing financial aid.

First, official development assistance (ODA) should be greatly increased. Five European countries have reached their ODA targets, and the European Union has taken an important step in formulating a timetable for achieving such targets. That is a very important initiative. We hope that other developed countries will follow suit and reach their targets at an early date.

Secondly, debt cancellation and reduction should be extended and intensified. We welcome the initiative of the finance ministers of the Group of Eight to cancel the debt of 18 heavily indebted poor countries. We hope to see further debt relief for other heavily indebted countries so that financial resources can be released to meet urgent development needs.

Thirdly, innovative financing should be promoted. We welcome the bold measures undertaken

by various parties to find an innovative financing mechanism that will supplement ODA. We look forward to the International Finance Facility pilot project, which will, we hope, yield experience that can be used in devising more extensive financing arrangements.

Fourthly, a monitoring mechanism should be established. We are in favour of establishing a mechanism to intensify the monitoring of follow-up in the area of development financing so as to ensure the timely delivery of high-quality ODA.

From a long-term perspective, the key to financing for development lies in enhancing developing countries' capacity for self-financing and in diversifying their ways and means of financing. That will be a long and arduous task. To support developing countries, the international community needs to take action in the following two areas. First, it is necessary to help developing countries strengthen their capacity- and institution-building. That means providing human and intellectual support. Secondly, it is important to create a favourable external environment and, in particular, a fair international economic system. That means providing policy and technical support.

In terms of capacity-building, developing countries have made unprecedented progress in recent years in structural reform, the rule of law, better management, anti-corruption efforts, public participation and promoting partnership between the public and private sectors. The international community attaches great importance to that and has offered much assistance. However, the current international efforts to support developing countries in their capacity- and institution-building have thus far lacked focus, and some of those efforts even involve conditionalities aimed at putting harmful pressure on recipient countries. International agencies and donor countries should listen carefully to the views of recipient countries and tailor their capacity-building programmes to the actual needs and national conditions of those countries. Developing countries should be encouraged to compare various experiences and practices — including among themselves — so as to learn from one another.

In order to create an enabling external environment and to resolve systemic problems for developing countries, we believe it is essential to discard outdated concepts and to reflect the spirit of equality and fairness.

First, we believe that the international community should fully understand the special difficulties faced by developing countries in the globalization process. They should be allowed to tailor their policies to their own national conditions and should be given sufficient policy space. High-handedness will only aggravate their difficulties.

Secondly, countries should strengthen cooperation and encourage the flow of foreign direct investment to developing countries. While the developing countries are committed to improving the domestic investment environment, the international community — and particularly the developed countries — have the responsibility and the obligation to create conditions for, and encourage the flow of, foreign direct investment to developing countries. The countries and international agencies concerned should also undertake joint efforts to tighten control on international financial flows and to reduce financial risk.

Thirdly, trade as a means of financing should be strongly advocated. The international community should build a multilateral trade system that is fair, non-discriminatory and rule-based. In particular, it should undertake specific and effective measures to support the exports of developing countries. In that respect, it is essential to resist the practices of certain countries that use trade protectionism to hobble the comparative advantages of developing countries. We hope that the Doha round will focus on development, will place priority on concerns of developing countries such as implementation issues, agricultural product subsidies and special but differentiated treatment and will conclude at an early date.

Fourthly, the participation of developing countries in international economic decision-making should be increased. Loopholes in international systems and rules constitute major obstacles for developing countries in finding effective means of financing. That situation must be rectified. We hope that the developed countries will adopt a more open attitude and undertake effective measures to enable developing countries to become truly equal participants in the decision-making process.

In recent years, the Chinese Government has, on the basis of China's national conditions, formulated

and pursued a sound macroeconomic policy and has committed itself to improving the rule of law, encouraging competition, revitalizing enterprises, nurturing capital markets, consolidating the financial system, tapping domestic savings and investment potential and improving its capacity to respond to financial risks. Some progress has been made, but we continue to face many difficulties and challenges. We want to work with all other countries, through bold experimentation and pragmatic implementation, to make more development funds available in order to achieve the internationally agreed development goals for the benefit of all peoples.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Ronaldo Mota Sardenberg, Chairman of the delegation of Brazil.

Mr. Sardenberg (Brazil): Three years after our heads of State or Government adopted the Monterrey Consensus, we are gathering again to examine how far we have come in the process of accomplishing our commitments. The new sense of partnership created in Monterrey involves the international community as a whole in the search for development. This High-level Dialogue gives us the opportunity to reaffirm the commitments of the Monterrey Consensus and to stress our engagement with the process launched by the Monterrey Conference.

The question we must ask ourselves today is this: what have we achieved so far? I will start by saying what Brazil has done. At the national level, we have combined sound macroeconomic policies with strong social programmes. We have put into practice fiscal discipline, warded off inflation and adopted measures to stimulate economic growth. But we have also put in place our Zero Hunger programme, which has already benefited millions of people, especially in the poorest regions of the country, encompassing interventions regarding not only nutrition, but also education, health, sanitation and housing. Of course, much remains to be done, but we are maintaining our resolve and remain convinced that we are on the right track.

At the international level, Brazil has made efforts to ensure that the promotion of development remains at the top of the international agenda. We believe that official development assistance (ODA) constitutes an overwhelming priority, especially for many developing countries that do not have access to other sources of financing. It thus seems imperative that donor countries reach the goal of 0.7 per cent of gross domestic product for ODA.

Brazil has also endeavoured to put into practice Monterrey's recognition of the value of exploring innovative sources of finance. To that end, Brazil, together with Chile and France, launched Action against Hunger and Poverty, an initiative that Spain, Germany and Algeria later joined. In September 2004 in New York, at a meeting convened by President Lula and attended by more than 50 other heads of State or Government, the New York Declaration was adopted with the support of more than 100 countries.

In order to follow up on that meeting, the Technical Group on Innovative Financing Mechanisms is continuing to elaborate proposals aimed at increasing the quantity of resources available for development programmes and ensuring better predictability of aid disbursement. Among those proposals, I should mention measures to reduce the cost of emigrants' remittances, a levy on financial transactions, a tax on the arms trade, methods of combating tax evasion, new kinds of voluntary and private contributions, a tax on airline tickets and the use of Special Drawing Rights for development.

The work on remittances of emigrants points to the advantage of a multilateral approach to actions that could reduce the cost and facilitate the transfer of such flows. With that in mind, the Technical Group is preparing a proposal that could constitute the basis for broad consultations at the United Nations.

We are also determined to pursue the study of nationally applied and internationally coordinated taxes on financial transactions. Contrary to the objective of the original Tobin Tax, our goal is not to interfere with market operations. We have stressed our intention to ward off any market distortions. The levy on transactions, therefore, although very small so as not to generate such market distortions, has great potential as a source of revenue for development purposes.

All of the proposals put forward by the Technical Group follow a pragmatic approach in that they do not require the creation of any new organization. They can be implemented through international cooperation within existing institutions.

Brazil also attaches great importance to cooperation among developing countries and has set in motion programmes with countries of Latin America,

the Caribbean and Africa, as well as with Timor-Leste. Those projects encompass a wide range of areas. In the field of health, for example, Brazil has offered technical cooperation on the prevention and treatment of HIV/AIDS. In the areas of education and training, we have sent professionals to provide assistance to other developing countries. The importance of South-South cooperation cannot be overemphasized. Such cooperation should be further explored, for it constitutes an important way of reaching the Millennium Development Goals. The international financial institutions should consider thus the creation of specific financing mechanisms to support cooperation of that kind.

Also regarding South-South cooperation, a recent achievement was the launching of a new round of negotiations on the global system of trade preferences at the Brazil meeting of the United Nations Conference on Trade and Development last year. That initiative is in line with the consensus recognition of the importance for developing countries of considering reducing trade barriers among themselves.

Any appraisal of what the international community has done to meet the Monterrey commitments would certainly be mixed. On the one hand, there have been promising announcements in the areas of foreign debt and official development assistance. Debt reduction and an increase in ODA will allow beneficiary countries to commit more resources for the promotion of development and the fight against hunger and poverty. In this respect, however, two tenets of the Consensus should be borne in mind. First, debt-relief arrangements should seek to avoid imposing any unfair burdens on other developing countries; and secondly, resources made available for debt relief should not detract from ODA flows.

On the other hand, some of the main guidelines of the Monterrey Consensus have, unfortunately, not been put into practice. A case in point is enhancing the participation of developing countries in the decision-making mechanisms of international forums. Nor has any breakthrough been reached in the area of trade, in spite of the recognition by the Conference of issues of particular interest to developing countries: subsidies, anti-dumping measures, trade liberalization for agricultural products, tariff peaks and tariff escalation and special and differential treatment, to name just a few. We expect those issues to be taken into account at the forthcoming meetings of the World Trade Organization, in particular at the Ministerial Conference to be held in Hong Kong later this year.

The International Conference on Financing for Development brought together issues that used to be tackled separately, such as trade, debt, investment, official development assistance and systemic issues. What is more, the Conference allowed all stakeholders — Governments, international organizations, non-governmental organizations and the private sector — to join efforts for the launching of a new partnership. Since the adoption of the Monterrey Consensus, there has been some progress. Nevertheless, most of our tasks unfortunately still remain to be accomplished. The message is clear: let us keep our partnership alive while redoubling our efforts.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Andrey Denisov, Chairman of the delegation of the Russian Federation.

Mr. Denisov (Russian Federation) (*spoke in Russian*): Russia attaches great importance to the coordination of international efforts to follow up the outcome of the International Conference on Financing for Development and related issues. The central role in that process, in our view, is played by the intergovernmental mechanism of the General Assembly's High-level Dialogue on Financing for Development.

We believe that the High-level Dialogue should continue to enhance the coordinated activities of organizations and Member States in the area of development, monetary and trade policy in order to eliminate poverty, ensure sustained economic growth and sustainable development, and establish an equitable global economic system.

We feel that the primary objective of the Dialogue, as part of the preparatory process for the summit 2005, is to create a framework for considering the problems of financing for development in the context of the review progress in the implementation of the Millennium Declaration, to stimulate substantive discussion of specific initiatives in that sphere aimed at solving urgent socio-economic problems and thus to provide a solid foundation for the decisions to be taken in September.

In line with the spirit of Monterrey, we agree that there is a need to focus our joint efforts on finding effective, realistic and balanced development financing

mechanisms. The international community already has at its disposal a range of powerful instruments, such as entrepreneurial potential, domestic and foreign investment, trade, the currency remittances of migrants, and so on. We are convinced that all of those resources need to be closely studied and fully utilized.

We believe that the measures proposed in the Secretary-General's report on the 2005 High-level Plenary Meeting are relevant and seek to increase the effectiveness of development assistance and to align it with the needs of recipient countries, as defined in national development strategies.

Debt relief, particularly for the highly indebted poorest countries, in the framework of the relevant initiative of the International Monetary Fund and the World Bank, is an important source of resource mobilization for the attainment of the development goals and the solution of social problems.

Russia, together with its G-8 partners, provides many-faceted assistance to that group of countries. In that regard, I should like to stress our general support for the initiative recently adopted at the meeting of G-8 finance ministers to immediately cancel the debt of 18 of the poorest countries, amounting to some $40 billion.

Russia fully recognizes the special development needs of Africa and takes them into account in its international activities. This year, Russia intends to announce the cancellation of $2.2 billion for the poorest African States, on a bilateral basis within the framework of the Heavily Indebted Poor Countries Debt Initiative. In absolute terms, Russia is among the leaders in debt cancellation for the poorest countries.

However, we believe that the cancellation of debts by itself, without effective financial and budgetary policies and structural reforms and without strengthening public institutions or improving the investment climate in the poorest countries, will not allow us to achieve the expected results. Practice shows that the constant increase in credit levels, even with the most generous intentions, and the ongoing cancellation of past debts send the wrong message to debtor countries. It is time to rethink the problem and to devise new financial mechanisms to resolve the debt problem that do not lead to debt accumulation.

We support the provisions of the Monterrey Consensus whereby each developing country bears the principal responsibility for its own development and the financing of its national development strategy mainly from its own resources. In general, we support the appeal to consider the possibility in the longer term of using innovative sources of financing for development in compliance with the letter and spirit of the Monterrey.

In our opinion, the use of the proposed international finance facility and other initiatives, in particular on international taxation, as an instrument to extend development assistance at the global scale should be strictly voluntary and applied only by those countries that consider such mechanisms to be acceptable at this stage in terms of their national legislation and economic capabilities.

In the view of the Russian delegation, the expansion of world trade and its progress towards a more equitable basis will create additional opportunities for achieving the Millennium Development Goals, as formulated in the Millennium Declaration. In that regard, we support the call for the prompt completion of the Doha Round of international trade negotiations of the World Trade Organization (WTO). In looking ahead, we find that ultimately, while maintaining development assistance as one of the major goals of the Round, we will need to ensure the establishment of stable, predictable and non-discriminatory conditions for access to world markets of goods and services for all participants in international trade, including countries in transition that have not yet joined the WTO.

It is well known that Russia is now actively engaged in negotiations to join the WTO. In that context, we are prepared to assume the obligations that reflect the level of the economic development of Russia's economy, taking into account its structural specificities that correspond to the level of obligations taken on by other WTO members. Russia's accession to the WTO should be based on standard conditions and not used as an experimental platform for ideas and concepts that are still under discussion within the Organization itself, such as the so-called Singapore issues.

Russia is genuinely promoting the liberalization of international trade by lowering import duties and applying a special preferential regime to the imports from many developing countries, primarily from the group of least developed countries. With respect to

goods from those countries, no quantitative restrictions on imports are applied, nor have we introduced anti-dumping, compensatory or special protective measures. Russia welcomes the establishment of a comparable favourable trade regime for the least developed countries by other countries in response to the Millennium Summit appeal.

The President (*spoke in French*): I call on His Excellency Mr. Asim Arar, Head of Department, Multilateral Economic Affairs, in the Ministry of Foreign Affairs of Turkey.

Mr. Arar (Turkey): My delegation has aligned itself with the statement made by the representative of Luxembourg on behalf of the European Union. However, given the importance of the issue, I would like to briefly touch upon a few additional points.

The Monterrey Consensus is important, as it forms a global response to confronting the challenges of financing for development. It provides a good basis for our difficult task of reducing poverty and inducing growth. Poverty remains the main obstacle to overcome on the way to an equitable international economic system because it stems from an unequal level of production and an unbalanced income distribution among countries. Notwithstanding all the optimistic and positive efforts at the national and international levels for the eradication of poverty, the gap between the rich developed countries and the poor developing ones is getting wider and economic and social inequalities continue.

The primary responsibility of the developing States is to create a comprehensive national development strategy with a focus on poverty reduction. Such a strategy is expected to lay down the legal framework and efficient financial mechanisms required to mobilize domestic resources for development. The regular implementation of such a strategy and its regular revision are no less important than its creation.

There is also a joint responsibility of the developed and developing countries alike to mobilize international resources for sustainable development. That shared responsibility necessitates the contribution by the developed States to the design of a pro-development international finance system to ensure that the developing countries also benefit from the global flow of foreign direct investment. However, to attract those investments it is important for developing countries to implement the principles of good governance and the rule of law, as well as to create a strong legal basis for market-friendly institutions. Unfortunately, neither side has yet completely fulfilled those conditions of joint responsibility.

Efficient technical and financial cooperation among developing countries, international institutions and developed countries is one of the requirements of financing for development. It is important that such cooperation and aid strengthen the capacity of developing countries to implement sustainable development policies. In other words, developing countries should be provided with help to help themselves. Furthermore, it is essential to implement the commitments regarding the increase in official development assistance, as well as to quickly deliver that assistance to those who are in need.

Experience has taught us that well-focused aid is of great help to developing countries. The discussion taking place about the effectiveness of aid is another correct step towards determining what must be done. It is clear that more aid is needed, in particular for capacity-building.

The growth of foreign debt is certainly a negative facet of that indispensable aid. Turkey believes that heavily indebted countries deserve special attention. We believe that the international community is capable of finding a formula to bring about debt cancellation without jeopardizing the stability of international financial institutions.

International trade has a central role to play in promoting, encouraging and supporting development activities. Turkey supports an early conclusion of the negotiations being held within the World Trade Organization (WTO). The WTO Ministerial Conference in Hong Kong will be a critical milestone in the process of the negotiations on the Doha Development Agenda. We run the risk of jeopardizing the Agenda if we cannot make the Hong Kong Ministerial Conference a success. The outcome of the WTO negotiations should ensure a fair international trading system. However, the concessions to be granted to least developed countries under the WTO should take into consideration the special needs and fragile trade balances of developing countries.

I would like to conclude my statement by emphasizing the importance of the role played by the external environment with regard to the economies of

developing countries. However much developing countries work to establish good governance and the rule of law and to implement sound free-market policies, a volatile global environment and economic imbalances in major economies — and their subsequent correction — translate into an augmented external shock on the former. It should be kept in mind that, in the absence of global stability, no good policy can deliver sustainable development.

The President (*spoke in French*): I now give the floor to Mr. Hamid Hareb Al-Habsi, representative of the United Arab Emirates.

Mr. Al-Habsi (United Arab Emirates) (*spoke in Arabic*): On behalf of the delegation of the United Arab Emirates, I would like to wish this important meeting every success. I would also like to associate myself with the statement made on behalf of the Group of 77 and China with regard to proposals that could benefit international sustainable development.

Despite the important recommendations adopted by our heads of State and Government at the Monterrey Summit Conference in 2002 regarding the insufficient amount of resources directed towards financing development programmes in developing countries, especially in the poorest among them, only a slight increase in the development assistance extended to those countries has been noted in recent reports and statistics. That has had a negative impact on living conditions in the third world, which has suffered for decades from poverty, hunger, unemployment, contagious diseases and environmental degradation. Moreover, the foreign debt problem and the ongoing decline in gross national product in those countries have resulted in their further marginalization and in the widening of the economic, social and technological gap between them and the countries of the North. They have also created a state of inequality with regard to opportunities for achieving decent lives for their peoples.

The United Arab Emirates has always followed a steady foreign policy based on extending substantial development assistance to developing countries in the form of grants, aid and unconditional concessional loans. That assistance has exceeded 3.5 per cent of our gross national product in recent years.

The United Arab Emirates is unhappy at the lack of implementation of the commitments undertaken by developed countries at the Monterrey Conference with regard to increasing official and non-official assistance to finance development programmes in developing countries. We therefore look forward to the important decisions to be taken at the summit of the Group of Eight to be held in Scotland next month.

In that connection, the United Arab Emirates would like to emphasize the importance of strengthening the political will of the international community with regard to developing a clear and integrated strategy for financing development that will address the following two basic concerns.

The first concern is the commitment of international financial institutions and developed countries to allocate 0.7 per cent of gross national product to official development assistance for developing countries, with least developed countries receiving 0.15 to 0.20 per cent. That concern also pertains to providing unconditional access to assistance, as well as the establishment of an international multilateral trading system that is based on equality among countries. Among other things, that system should seek to open up international markets to the products of developing countries, attract foreign investment and capital and promote the use of modern technologies for peaceful purposes.

The second concern is the commitment of the Governments of developing countries to shoulder their primary responsibilities, which include mobilizing foreign investment to finance development programmes in accordance with the recommendations adopted by a series of conferences on South-South cooperation, the latest of which was recently held at Doha, Qatar, and called for the adoption of national plans for the reform of the financial and social institutions of the countries of the South. That meeting also called for the strengthening of regional cooperation, especially in the areas of exchanges of expertise, development of financial and human resources, private sector development and bilateral and regional agreements aimed at promoting investment in the financial, industrial and technological fields.

We hope that this important meeting will produce a consensus that can help us to increase the resources available for financing sustainable international development. We also hope that we will be able to explore ways of developing coordination mechanisms between the United Nations and other international multilateral financial and economic institutions — such

as the World Bank, the International Monetary Fund and the World Trade Organization — in order to strengthen their role in reforming and developing the international financial system and securing the financial resources needed for the implementation of hunger and poverty alleviation programmes, the achievement of economic and social development and the protection of the environment, all of which are considered basic requirements for the achievement of sustainable development.

The President (*spoke in French*): I now give the floor to Mr. Iftekhar Ahmed Chowdhury, Chairman of the delegation of Bangladesh.

Mr. Chowdhury (Bangladesh): My delegation associates itself with the statement made by the representative of Jamaica on behalf of the Group of 77 and China. However, I would like to highlight the following points.

Bangladesh believes that on the road towards the development goals, each developing country must be in the driver's seat. In our view, development can be achieved only through the matrix of pluralism, democracy, good governance, the rule of law and gender justice. To that end, Bangladesh has undertaken an array of reforms in the political and economic sectors, including deregulation and liberalization in every sector of the economy.

We have pressed into the service of development our own intellectual resources, which are products of our own ethos. We have employed innovative, homegrown ideas such as microcredit financing, non-formal education for women, social forestation and the inventive use of information and communications technology for development. Our stable macro-economic situation is the outcome of a mix of prudent monetary and fiscal policies.

We have completed our full-fledged Poverty Reduction Strategy Paper through a broad-based consultative process involving all stakeholders. United Nations country teams focused on common country assessments and the United Nations Development Assistance Frameworks. The Government and the donor community are continuously engaged in a dynamic dialogue with the aim of carrying out specific analyses of development issues.

Bangladesh has achieved considerable progress in socio-economic sectors. Despite some internal and external constraints, last year we achieved a record 6.27 per cent growth in our gross domestic product. Over the years, revenue collection has increased. The ratio of savings to gross domestic product has risen. The remittance flow continues to be buoyant. Although Bangladesh has been on track to achieve some of the Millennium Development Goals, we recognize that we have a long way to go. That is particularly true of Goal 1.

Fifty least developed countries (LDCs) are seemingly caught in a trap of underdevelopment, poverty and structural weaknesses. They continue to be marginalized. Their exports today face a variety of barriers in their major markets, including non-tariff trade barriers and other non-tariff measures. We urge the international community to grant immediate bound duty-free and quota-free market access for all exports of all LDCs. Their exports should not be subjected to unrealistic rules-of-origin conditions. There should be strong commitment to allowing the movement of natural persons to developed countries under Mode 4 of the General Agreement on Trade in Services.

We welcome the recent upward trend in disbursing official development assistance (ODA). The new time-bound commitments by the European Union are worthy of praise. We urge all developed countries that have not yet done so to reach the target of devoting 0.7 per cent of gross domestic product to ODA. As reaffirmed at Monterrey and Brussels, 0.20 per cent of gross national product should be directed towards LDCs.

Urgent steps are needed to increase the quality, transparency and accountability of ODA. We view the idea of front-loading additional resources through the International Financial Facility and other innovative mechanism as being positive. All future assistance must be unconditional, grant-based and not politically motivated. Our experience demonstrates that aid can be most effective when provided as direct budgetary support for nationally designed development projects.

The current debt relief measures have been far from effective. The outstanding debt of all LDCs must be written off immediately. That would free up much-needed resources for investment in development. Whatever approach is chosen for fuller debt relief, it has to be in addition to current assistance to LDCs.

Private capital flows have an important role in complementing developing countries' domestic

resources, the transfer of technology, employment-generation and entrepreneurship-building. Currently, foreign direct investment has been the largest source of private flows. But sadly, it is concentrated in the emerging economies of a few best performers. A significant portion of foreign direct investment should be directed to the LDCs, and the positive contribution of such investment to their development should be ensured.

There is a continuing need to improve consistency and systemic coherence among trade, debt and finance. The global financial architecture needs to be reformed to buttress harmonization and coordination. Concrete measures should be taken to ensure the enhanced participation of the developing countries, including LDCs, in the decision-making process of the international financial institutions.

We advocate an international support structure that rewards performance and genuine reforms. There should be coherence among international agencies for the purpose of better coordination; it should not deepen or strengthen conditionalities. This current session and the forthcoming summit in September are events that should spur on the process of development. We should aim high, for has it not been said that man's reach should exceed his grasp, for what else are heavens for?

The President (*spoke in French*): I now give the floor to Mr. Mohamed Bennouna, Chairman of the delegation of Morocco.

Mr. Bennouna (Morocco) (*spoke in French*): The delegation of Morocco would first like to associate itself with the statement made by Jamaica on behalf of the Group of 77 and China.

This year's High-level Dialogue on Financing for Development is being held in the lead-up to the September summit. It is of crucial importance, because it is intended to contribute to the summit's success. Accordingly, we hope that our debate will lead to concrete recommendations.

In that context, we believe that we need to reaffirm the partnership between the South and the North represented by the Monterrey Consensus. That partnership should be further deepened by taking concrete decisions within the framework of the holistic approach adopted at Monterrey in the areas of finance, currency and trade. As the Secretary-General said at the opening of the High-level Dialogue, we need to take historic decisions to mobilize the necessary financing and give hope to the larger part of the world's population, who live in want and poverty.

To that end, we support the establishment of a timetable for achieving the goal of devoting 0.7 per cent of gross national income to official development assistance by 2015. We welcome the fact that the majority of developed countries have committed to establishing a precise timetable for fulfilling that commitment. That trend will encourage other developed countries to do likewise.

We also believe that official development assistance should be combined with debt relief. We therefore support the accelerated implementation of the Heavily Indebted Poor Countries (HIPC) Initiative by providing assistance extended fully in the form of a gift. We also support the initiatives to attain substantial debt relief for all developing countries.

With regard to trade, we believe that only strengthened and predictable access to the markets of the developed countries could inject new energy and create a new momentum for sustainable economic growth and the attainment of the Millennium Development Goals. We appeal to the developed countries to open their markets to the exports of developing countries and to guarantee free access, without quotas, to all exports of least developed countries. As everyone knows, my country has done its part by offering Africa's least developed countries such access to Morocco's market.

Here, we should also like to reaffirm our support for the establishment of an International Finance Facility. We believe that that initiative could mobilize significant resources for development. We are also of the view that the proposals on this issue made by the Technical Group on Innovative Financing Mechanisms, created by France and Brazil deserve to be studied in detail. We support the pilot project initiated in that context. The establishment of a global taxation system, for example, could make it possible to generate additional funds for development financing. Efforts must continue with a view to reaching a political consensus on a taxation system.

On the subject of governance, the decision-making process in the major international economic and financial institutions probably needs to be changed so that countries of the South are included and have greater responsibility in regulating globalization. We

must ensure that international financial, monetary and trade policies are consistent with the requirements and objectives of development.

In that context, it is difficult not to speak about Africa, a continent that has specific problems and deserves special attention and an immediate response from the international community aimed at meeting its development needs. The international community must help African countries to attain the objectives of the New Partnership for Africa's Development. To do that, both quick-impact and long-term steps must be taken to assist African countries in establishing the infrastructure and the conditions necessary for investment and for the promotion of private enterprise. The report of the Commission for Africa, presented by the United Kingdom, contains concrete recommendations that should be pursued further.

South-South cooperation, with its great partnership opportunities, is essential for the achievement of the Millennium Development Goals, as was demonstrated recently at the Doha summit. It could lead to fruitful triangular cooperation through the opening of markets to products from developing countries, the granting of financial facilities and guarantees and the transfer of viable technologies to those countries. The United Nations system and donors should facilitate and support sustainable mechanisms for the promotion of South-South cooperation.

For their part, the developing countries have the responsibility to accelerate the reform of their economic policies and to establish a favourable environment for the flourishing of the private sector and investment. They must also promote good governance, the rule of law, gender equality in development and the participation of civil society, non-governmental organizations and representatives of the business world in decision-making processes.

Those, briefly, are areas that could strengthen the Monterrey commitment to a global partnership between the South and the North. For us, the September summit represents a unique opportunity to take decisions, which we hope will be historic, to reaffirm and deepen the Monterrey partnership.

The President (*spoke in French*): I now call on His Excellency Mr. Choi Young-jin, Chairman of the delegation of the Republic of Korea.

Mr. Choi Young-jin (Republic of Korea): This year's High-level Dialogue has afforded us the opportunity not only to further review the implementation of the Monterrey Consensus, but also to provide crucial input for the upcoming September summit. In Monterrey, the international community agreed on the principles of shared responsibilities and global partnerships for development, according to which developing countries would bear the primary responsibility for furthering their own development, while the international community would assist those countries in implementing their development strategies.

I welcome the Secretary-General's assessment of that issue, and I would like to touch briefly upon four aspects that we believe are crucial to implementing the Monterrey Consensus and other development goals: cultivating domestic resources, providing sufficient and effective official development assistance (ODA), promoting trade and enhancing regional cooperation.

To maximize domestic financial resources, every developing country must adopt a national development strategy that strengthens good governance while supporting private-sector-led economic growth. Domestic financing for development can be greatly expanded through a combination of increased domestic savings, improved tax administration and more transparent public administration that widens public participation. My own country's development experience demonstrates the value of those approaches.

Regarding official development assistance, the Republic of Korea agrees that it plays a critical role in supporting and supplementing domestic resources. We are encouraged that global ODA has reversed its downward trend and has shown a net increase in the three years since the Monterrey Consensus. However, global ODA is still well below the agreed target of 0.7 per cent of the gross national income of developed countries, leaving much room for improvement. In that regard, we would like to join others in welcoming the recent decision of the European Union to set a target date of 2015 for reaching the 0.7 per cent threshold.

As an emerging donor, the Republic of Korea has intensified its efforts both to increase its volume of official development assistance and to improve its policies and procedures on ODA implementation. In concert with global efforts, we are developing medium-

and long-term strategies to further increase and improve our ODA.

We welcome the recent proposals and initiatives made by some countries to explore innovative financing mechanisms that would stabilize development financing, making it more predictable and thus allowing the Governments of developing countries to plan more effectively. In particular, the Secretary-General's recommendation to launch an International Finance Facility as a mechanism for securing a stable and predictable source of financing deserves serious consideration. More detailed and concrete plans are needed, however, and we will be watching closely to see how well the project works.

While ODA is an important source of financing for development, aid alone cannot ensure sustainable development over the long term. Our own experience of development and that of many other countries have proved that one of the most effective means by which developing countries can sustain growth and ensure a reliable stream of development resources is to grow international trade. In that regard, the Republic of Korea supports the Secretary-General's recommendation that the Doha development agenda be concluded successfully and soon. Additionally, we hope that the September summit will send a strong message to the World Trade Organization ministerial conference to be held in Hong Kong in December 2005.

Finally, as the Secretary-General makes clear in his report, regional cooperation will be necessary for the implementation of the Monterrey Consensus. Regional cooperation, when properly coordinated, can complement national and global efforts to achieve development goals.

The Republic of Korea has participated in several regional cooperation projects. For example, last year my Government, together with the United Nations, sponsored an international workshop on information technology (IT) to train IT professionals from developing countries in the Asia-Pacific region. We will also provide $10 million over the next five years to support the Asian and Pacific Training Center for Information and Communication Technology for Development, to be established in the Republic of Korea, which will help to bridge the digital divide in the Asia-Pacific region.

Let me conclude by reiterating the importance of the follow-up process to the Monterrey Consensus and its impact on other development goals, including the Millennium Development Goals. The Republic of Korea remains committed to sharing its development experience with developing countries and to joining global efforts to enhance financing for development. Through those efforts, we hope to play a part in achieving the shared goal of mutual prosperity.

The President (*spoke in French*): I call on His Excellency Mr. Fayssal Mekdad, the Chairman of the delegation of the Syrian Arab Republic.

Mr. Mekdad (Syrian Arab Republic) (*spoke in Arabic*): Allow me at the outset to convey to you, Sir, the profound gratitude of the Government of the Syrian Arab Republic for your efforts to accord this discussion all the importance it deserves by prioritizing this item on the General Assembly's agenda.

The outcome of the International Conference on Financing for Development is a crucial element of the implementation of the Millennium Development Goals (MDGs). We support the statement made by the representative of Jamaica on behalf of the Group of 77 and China.

Syria has turned itself into a veritable workshop in various areas of development in order to promote our economic and social prosperity and to implement the aspirations of our people. In that context, Syria was one of the first States to submit its report on its efforts to attain the MDGs, notwithstanding the problems arising from our having spent so many of our resources on national defence and addressing the Israeli occupation of our territories.

With regard to development, Syria is largely dependent on the mobilization of domestic resources. In that context, we believe that development should be viable and sustainable. We are increasing national investments and introducing structural changes with value added, while our market is based on competition. Syria is also stepping up its production and the effectiveness of its human resource development by reforming education, undertaking research and development, and developing professional and manufacturing facilities. We also stress the role of civil society and women in development and the need for poor people to have access to credit and investment.

With respect to enhancing administrative effectiveness, our plan stresses the rule of law, transparency, combating corruption, and creating a nurturing climate for civil society. Furthermore, legislation has been adopted to implement our country's main development projects and other draft bills are being studied. The objectives of our plan promote the MDGs. A number of laws have been adopted to improve the investment climate, attract foreign investment and enhance the taxation regime.

With regard to international trade, I wish to note that, despite the focus of the Monterrey Consensus on its importance as the driving force of development, the problems encountered by some parties are hampering the utilization of the fruits of international trade to finance development. In that context, we agree with the appeals made by several States for the World Trade Organization to facilitate the accession of developing countries.

As to official development assistance, we welcome the decision taken by the European Union to increase its allotment to 0.7 per cent of gross national income. We appeal to States that have not yet done so to establish a timetable for increasing their own official development assistance so as to attain the MDGs by 2015.

Given the urgency of Africa's development, Syria has made that continent a priority for its official development assistance. We welcome the cancellation of the debt of the most heavily indebted poor countries, but we believe that a long-term solution of the debt problem of developing countries should not obstruct investment. That will require the write-off of all the debt of the least developed countries. Debt cancellation should not be tied to official development assistance. We welcome the efforts being made to find innovative sources of financing for development and call on all developed countries to adopt measures similar to the initiative of Brazil.

Three years after the Monterrey Conference, what has been done to help the developing countries participate in the decision-making process? Our achievements are not commensurate with our aspirations and hopes. We need to make an even greater effort and demonstrate the political will to attain our goals as soon as possible. Our conviction that everyone has the right to development compels us to place particular emphasis on it. It should be the top priority of the High-level Plenary Meeting in September if we wish to create a more equitable and just global system to the benefit of everyone around the world.

The President (*spoke in French*): I call on Her Excellency Mrs. Carmen Maria Gallardo Hernández, Chairperson of the delegation of El Salvador.

Mrs. Gallardo Hernández (El Salvador) (*spoke in Spanish*): On behalf of the Government of El Salvador, allow me to express our gratitude for the holding of this High-level Dialogue on Financing for Development. We have come here to reaffirm our determination to speed up our national efforts towards reaching the Millennium Development Goals. We would also like to say that there is an urgent need to fulfil the commitments entered into by world leaders at international conferences and summits.

The Monterrey Consensus, the shared vision bringing us together today, provides an international framework through which donors and developing countries can work more effectively to mitigate poverty. Nevertheless, we would like to point out that developing countries continue to face certain obstacles that make it difficult to attain sustainable development.

The Monterrey Consensus is therefore clear in that regard. It reminds of the need to put in place the conditions necessary to bring about new reform in international trade, rethink the policies of donors, improve governance and mobilize resources from both the private sector and civil society at large. Countries will not be able to find lasting solutions individually. It is therefore necessary that, along with the support of international financial institutions, cooperation and technical and financial assistance be part of the same effort.

The essential need to abide by the commitments entered into by developed countries is part of implementing the Monterrey Consensus. In that regard, we should keep in mind the following: official development assistance (ODA); the promotion of free trade and investment; better and more sustainable debt management; and the identification of innovative ways to finance development.

National development goals are a priority for the Government of El Salvador. We are convinced that mobilizing domestic financial resources for development must include the mobilization of both

public and private resources. In that regard, the strengthening of institutions has a decisive role to play in strengthening democracy and promoting confidence among citizens in their Governments.

In order to make progress in reaching the Goals we set for ourselves in the Millennium Declaration, the Government of El Salvador is determined to promote and facilitate the creation of productive jobs by establishing new businesses. With regard to microcredit and the extension of credit to small and medium-sized businesses, efforts are being made to expand such services to our country's poorest areas. At the same time, I should note that we have increased our support for local-government development efforts to 7 per cent of the national budget.

With regard to the mobilization of international financial resources for development, we believe that international private capital flows, and in particular attracting foreign direct investment, is an essential complement to international and national development efforts. International trade, as an engine of development, means that benefits should be shared by all. In turn, that requires political will to negotiate multilateral agreements for long-term strategies that open the way for new financing.

We hope that the Doha round will come to a conclusion in 2006.

A long-term perspective is necessary when considering investments in the areas of education, health and migration.

I would like to mention the importance my country attaches to a fair and equitable multilateral trading system based on predictable and non-discriminatory rules.

Like those of other small and vulnerable economies, our legitimate aspirations to development can be attained by increasing the efficiency of production and creating more and better-paying jobs.

The Government of El Salvador would like to reiterate its concern about the situation of middle-income countries, which are frequently excluded from official development assistance. We believe that middle-income countries must become true business partners of developed countries, as well as strategic allies in combating poverty. Opening up markets in developed countries is certainly one way of striking a better balance in multilateral trade efforts. We are convinced that international technical and financial cooperation is essential to the development of medium-income countries.

The Government of El Salvador considers family remittances to be a valuable development tool. We know that the value of such remittances surpasses that of official development assistance. Moreover, it is important to keep in mind that the fact that a country receives remittances does not mean that it can do without international assistance. Remittances are a new way of mobilizing resources. Nevertheless, it is necessary to begin an educational effort in local communities so that remittances are not used just to meet the needs of families. In that regard, we reiterate our strong support for making the subject of migration one of the priorities of the agenda of the United Nations in the twenty-first century and of the 2006 High-level Dialogue.

The new international financial architecture that all developing countries desire must achieve coherence in the management of multilateral monetary and financial systems. It should also include greater transparency and participation on the part of developing countries.

El Salvador welcomes the initiative of Algeria, Brazil, Chile, France, Germany and Spain to intensify efforts to combat hunger and poverty.

In conclusion, I would like to reiterate the Government of El Salvador's political will to continue down the path of development. In the Monterrey Consensus we identified a number of valuable tools that we have now incorporated into our national efforts.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Mihnea Motoc, Chairman of the delegation of Romania.

Mr. Motoc (Romania): Romania associates itself with the statement delivered earlier on behalf of the European Union. I shall therefore make only a few additional comments while remaining within the proposed time limit.

The maintenance of world peace is, to a considerable extent, predicated upon solidarity and the rule of law. That basic philosophy informed the Millennium Summit, and it remains key to bringing the current reform of the United Nations to a successful outcome.

It was a country receiving development aid while at the same time implementing bold economic reforms that Romania participated in the Monterrey Conference and subscribed to the Consensus forged there. As an emerging donor today, in the coming years Romania will increase its level of development cooperation with developing and transition countries. As an acceding country to the European Union (EU), we will take on board new responsibilities in the field of development policy. Development cooperation is becoming an integral part of our foreign policy. The United Nations is central to us with regard to shaping and implementing that policy. We will also continue to extend technical assistance on a bilateral basis.

We believe that, as we embark upon the final leg of the road towards United Nations reform — which, if carried out within the current bold matrix, will also bring about significant changes in the way we do business on the international stage — increased and more focused attention should be devoted to the phenomenon of emerging donor countries. That is because, first, their coming on board should multiply and strengthen the chances of meeting development assistance targets and should contribute, in the medium and long term, to meeting the future timelines for the achievement of new development goals.

Secondly, and more important, the experience of switching from recipient to donor status while carrying out structural reforms has not been without hardship. In retrospect, some measures could probably have been implemented differently. In any case, since our experience is recent, our wealth of experience can be easily shared with those interested, and eventually generate positive momentum.

That is certainly true for the countries of Central and Eastern Europe which have either joined the EU or are on their way to membership. However, their experience far from exhausts the scope of the phenomenon of emerging donors. Many other countries have recently emerged as simultaneous recipients and providers of assistance, sometimes in equal or similar proportions. We have to reckon with those developments and to do so in as pragmatic and practical a manner as possible.

New and emerging donors from our part of the world are keen to meet the high targets for official development assistance (ODA) set by the EU. However, we still need to be realistic and to take into account the varied dynamics at work in that field. For its part, Romania would like to be able to deliver on commitments and expectations. We are ready to assume responsibilities for targets that are sustainable and that we can actually meet.

Romania had a five-year stretch of constant economic growth at over 4.5 per cent a year, with a high of 8.3 per cent in 2004 and a similarly encouraging forecast for 2005, but we have a long way to go.

We are confident that joining the European Union — the world's largest donor of development assistance and the foremost contributor to multilateral trade assistance programmes — will prove an invaluable learning-by-doing experience. We are aware that increasing the effectiveness of development cooperation requires adequately responding to partners' needs, simplifying operating procedures and enhancing coordination. At the outset, Romania will have to direct inevitably limited development-cooperation resources in such a manner as to maximize their impact. Investing intelligently in strengthening valuable ties of cooperation and friendship with many partners around the world, especially in areas related to education, training and human-resource development, is the proper thing to do for us as well as for beneficiaries interested in gearing up the primary components of the development engine.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Roble Olhaye, Chairman of the delegation of Djibouti.

Mr. Olhaye (Djibouti): We are gathered here today for the second High-level Dialogue on Financing for Development in order to take stock of the extensive array of efforts and experiences since the holding of the historic International Conference on Financing for Development in March 2002 at Monterrey, Mexico. Its outcome document, the Monterrey Consensus, has since galvanized all stakeholders to follow up implementation and to constantly examine issues relating to the mobilization of resources for financing for development and poverty eradication.

The Financing for Development Office of the Department of Economic and Social Affairs had been continuously engaged in organizing workshops and multi-stakeholder consultations, including the private sector and civil society, with a view to promoting best practices and exchange of information on the

implementation of the commitments made and the agreements reached in Monterrey.

Over the past two years, the Financing for Development Office has launched a series of multi-stakeholder consultations with major civil society and private sector entities that have been closely engaged in the financing for development process. The Monterrey Consensus not only recognized that enhanced financial flows are critical, but stressed the importance of staying fully engaged — nationally, regionally and internationally — with a view to ensuring proper follow-up of the implementation of agreements and commitments. In that respect, it is pertinent to underscore the regional and inter-regional dimensions of the follow-up, as clearly demonstrated by the variety of activities undertaken by the regional development banks and the regional economic commissions, in cooperation with the relevant partners.

Throughout this exercise, we are continuously reminded of the primary responsibility of developing countries to implement sound economic policies and ensure good governance and the rule of law. Equally, there is recognition of the essential role played by developed countries in supporting the efforts of developing countries to achieve internationally agreed development goals.

It is worth noting that the analysis and assessments compiled by the regional commissions shed light on the fact that, among developing countries, China and India have registered greater improvements and higher per capita incomes, although in most regions and in other countries there has been a wide variety of performance disparities and often disappointing results.

According to the report annexed to the note of the Secretary-General, entitled "Implementation of the Monterrey Consensus: A Regional perspective" (A/59/826), foreign direct investment remained geographically concentrated, certain regions are suffering steady declines and others are showing signs of weakness in competing for newer and higher-quality investments. Africa, in particular, is likely to show a modest increase in foreign direct investment inflows; but here again those investments remain largely concentrated subregionally and sectorally. However, the report states that most least developed countries have fallen further behind in real growth in gross domestic product (GDP). Accordingly, sub-Saharan Africa, in particular, is off track in meeting the Millennium Development Goals, with the number of people living in absolute poverty in Africa having grown by about 40 per cent over the past decade.

The Monterrey Consensus identifies trade as the single most important external source of development financing. However, as clearly explained in the report to which I just referred, the participation of many developing countries in global trade remains marginal. For instance, in 2002, the share in world trade of the 50 least developed countries was only 0.6 per cent. The plight of the poorest developing countries in the context of international trade negotiations requires urgent consideration. Hence, a breakthrough in the Doha round of negotiations in favour of developing countries is crucial, with particular attention to agricultural protection and subsidies and the elimination of tariff escalation, which discourages the process of adding value through industrialization.

The report to which I referred also highlights two overarching issues that need to be addressed in order to achieve economic growth and poverty reduction in developing countries: improving market access and terms of trade for the developing countries, with special attention to the needs of the poorest among them; and improving supply-side competitiveness for low-income countries' exports through increased investment in infrastructure, trade facilitation and human resources development.

Obviously, as agreed in the Doha Development Agenda Framework Agreement of August 2004, export subsidies should be totally eliminated. We look forward to the completion of the Doha round by 2006, following what we hope will be the successful outcome of the sixth World Trade Organization (WTO) Ministerial Conference, which is to take place in December 2005 in Hong Kong.

It is now widely accepted that many poor developing countries will miss out on achieving the Millennium Development Goals unless official development assistance (ODA) is substantially augmented, in terms of both quantity and quality. Coupled with that, each developing country is required to elaborate its own national development strategy in response to its specific needs, circumstances and priorities, including by mobilizing domestic resources, strengthening governance, combating corruption,

redirecting Government revenues, increasing domestic savings and supporting private sector investment.

Achieving ODA goals will require more developed countries to meet their commitments to reach the target of 0.7 per cent of GDP. As we all know, only a few countries have been consistent in their efforts to reach that goal. It is therefore encouraging to learn the latest initiatives by the European Union, the finance ministers of the Group of Eight and a number of developed countries, geared towards providing substantial debt relief, doubling aid to Africa and enlarging trade access for the continent.

We also welcome innovations, such as the suggested International Financial Facility, which would provide funds against the promise of future aid, and taxes on airline tickets or foreign exchange purchases, whether on a mandatory or voluntary basis. It is imperative that the international community remain open to financing suggestions and proposals.

As the Secretary-General points out in his report entitled "In larger freedom: towards development, security and human rights for all" (A/59/2005), and as confirmed by the Millennium Development Project, directed by Professor Jeffrey Sachs, the world is in a position — or has the capacity — to meet the Millennium Development Goals, and all conditions are in place to do so. It is not, therefore, a question of capacity, but one of willingness in an era of global abundance, where we need only to unleash extra resources in the service of all mankind.

Achieving the internationally agreed development goals demands a new partnership between developed and developing countries. With regard to Africa, the British Prime Minister recently noted that the new partnership must be one that goes beyond the old donor-recipient relationship. He said that there can be no excuse, no defence and no justification for the plight of millions of our fellow beings in Africa today.

As noted by the Millennium Project report (A/59/727), a factor inhibiting growth is the quality of financial aid given, indicating that bilateral aid is often of low quality, unpredictable, targeted away from long-term investment and driven by separate donor objectives, rather than coordinated to support a national plan. The problem is not aid; it is how and when it is delivered, to which countries and in what amounts.

In conclusion, financing for development is a key element of a wide tapestry. Certainly, financing is critical to issues including the AIDS epidemic, social services, good governance, economic growth and conflict resolution, to mention just a few, which must all be addressed at the same time. Now is the time to act: enough of good intentions and statements. As one Permanent Representative from a developed country recently said, we need more than momentum; we need results. Happily, we see that leadership is stepping forward forcefully. We feel encouraged and modestly certain that, this time, action and results are on the way.

The President (*spoke in French*): I now give the floor to His Excellency Mr. Munir Akram, Chairman of the delegation of Pakistan.

Mr. Akram (Pakistan): Our debate on the implementation of the Monterrey Consensus on financing for development is important and timely to ensure the success of the High-level event to be held in September. The September summit can be a success only if our leaders can agree on a concrete plan of specific actions to achieve those agreed development goals.

The Chairman of the Group of 77 and China, the Minister of State from Jamaica, has identified the major elements and specific actions that developing countries believe are essential elements of a road map for the realization of internationally agreed development goals.

The first of those are sound national policies and correct governance. Good policies can turn around the worst performing economies. In Pakistan, with sound policies we have, within four years, reached macroeconomic stabilization and accelerated economic growth, to 8.4 per cent this year — one of the fastest rates of growth in Asia — in virtually all sectors of the economy: manufacturing, agriculture, energy, services and information technology. With realistic hope for peace in our region, we will endeavour to sustain that positive trend and forge close economic partnerships with China, South Asia, Central Asia and East and West Asia, including the Gulf region, as well as with our developed country partners.

Secondly, development cannot take place without adequate financing. Development will be difficult to achieve in developing countries so long as there is a net outflow of resources from those countries to

developed countries. That outflow was $312 billion in 2004. That must be transformed into a substantial net inflow. The quickest means of doing so is substantial and generous debt cancellation and relief.

The endeavour to generate innovative means of financing is long overdue. The flows generated through new and innovative mechanisms must be additional and should complement the regular flows, including foreign direct investment.

Most developing countries continue to require external financial assistance to directly address the goals of poverty eradication, infrastructure and skills development and creation of capacity for production and trade. We welcome the declaration of the Group of Eight favouring debt cancellation, time-bound commitments for enhanced official development assistance, and efforts for additional innovative financing. Of course, the real impact will depend upon how those schemes are actually implemented. Foreign direct investment flows can, and should, be encouraged. The September summit should endorse national and international measures to direct foreign investment to low-income countries through such measures as investment-guarantee schemes, tax and other incentives, revised risk-rating and similar arrangements.

Thirdly, an open and equitable international trading system is indispensable for sustainable growth and development. At the September summit in New York we will need to identify the development objectives of the Doha round and undertake to achieve them, including taking some actions that can bring immediate benefits to developing countries even before the conclusion of the round. Those immediate steps should include an agreement on an end-date for eliminating agriculture export subsidies, a commitment to eliminate tariff peaks and tariff escalations, a moratorium on anti-dumping actions against poor countries, an end to the abusive use of standards for protection and the initiation of a development review of intellectual property. We also need accompanying actions to stabilize commodity prices, build trade capacity in the poorest countries and address the increasingly important and sensitive issue of international migration.

Fourthly, we must redouble efforts to facilitate access to technology for developing countries through a review of international regimes and by ensuring larger research and development expenditures on issues of priority to developing countries.

Finally, apart from good national governance, we also need good global governance. That implies the introduction of equity in international economic policy-making, including at the International Monetary Fund, the World Trade Organization and the Bank for International Settlements. In that context, the United Nations — the political arm of the global economic system — must be empowered in practice to promote such good global governance.

Apart from the measures outlined in a paper on the reform of the Economic and Social Council that I have forwarded to the President of the General Assembly, I would propose that the Economic and Social Council should convene an annual ministerial meeting to review the implementation of internationally agreed development goals by both developing and developed countries.

The reform and revival of the United Nations that we desire will be hollow as long as mass poverty, hunger and disease stalk many of our nations, and while the world remains pervasively unequal and, in many ways, unjust to the poor and the powerless. The September summit must act resolutely to redress those inequities and overcome the suffering and deprivation endured by the majority of the world's peoples.

The President (*spoke in French*): In accordance with General Assembly resolution 3208 (XXIX), of 11 October 1974, I now call on His Excellency Mr. Louis Michel, Chairman of the observer delegation of the European Community.

Mr. Michel (European Community) (*spoke in French*): I am especially pleased to address the General Assembly today on the critical questions of financing for development and the follow-up to the Monterrey Consensus. The Monterrey Consensus established for the first time a global partnership for development, an essential element for the eradication of poverty. Progress has been made, but it is not enough, as the report of the Secretary-General (A/59/822) clearly indicates. This is unacceptable on both human and political terms.

Radical change is necessary, given the challenges posed by persistent poverty and a poorly structured globalization process that leaves so many people and countries in destitution. That change is needed first for

the sake of solidarity, but also for reasons of security and stability.

Of course, I am among those who believe that primary responsibility rests with developing countries themselves. They must adopt and implement national strategies that are ambitious, proactive and even bold in combating poverty. They must become full owners of the development process. But they cannot do that without putting in place effective and comprehensive governance policies.

We can never take the place of our partners or do what they can do better. But, having said that, we cannot allow the international community to avoid its responsibilities. The international community must support that process. We must do more. We must do better. We must act faster.

The European Commission has convinced the European Council to support this drive. The 25 States of the Union have agreed on a proposal to increase their assistance budget, which will be €20 billion larger by 2010. The Union was already by far the world's largest donor of aid, and it is the major trade partner of poor countries. Through our decisions, we intend to fully shoulder our responsibilities and consolidate our leadership for development. We undertook commitments at Monterrey for 2006. Those commitments will be respected and even exceeded. We have set a new timetable and precise targets to attain 0.7 per cent by 2015.

Innovative sources of capital can also contribute to the global development effort. The European Union supports the initiative of a voluntary solidarity tax on air tickets. We hope to rally the greatest possible support for that measure. The European Community is also studying the possibility of using the proceeds of anti-trust fines levied by the Commission as an additional contribution to the development budget.

But, in addition to the issue of volume, improving the quality and effectiveness of aid is another challenge. We must seriously put into practice our political discourse about ownership, partnership, alignment with national processes and results-based approaches. The decision taken by the Council of Ministers in May responds to those demands with concrete solutions in terms of harmonization, complementarity and true division of labour.

We cannot continue to take up the time and energy of the Governments and administrations of our development partners; we must stop increasing administrative demands, which are too often disconnected from reality. In that regard, budgetary aid, which is the symbol of partners' ownership of their own development, makes it possible to cover recurrent costs such as the salaries of teachers or nurses and is undoubtedly — in all countries where it is possible — the most effective and best adapted instrument. The Union will strengthen it. At the same time, we will endeavour to make it more predictable and less volatile. We could, for example, move towards a commitment of four to five years, which would make things much more predictable for Governments.

Other domestic policies — such as those on trade, agriculture, environment, research — could make substantial contributions to development. The Union has undertaken a political commitment to coherence in development. That means two things: ensuring that measures and actions undertaken within the Union do not undermine efforts to attain the Millennium Development Goals, and finding appropriate synergies so that those policies can provide added value for development.

Finally, the European Union intends to undertake a proactive policy on Africa, particularly sub-Saharan Africa. In that regard, the delay has been considerable and the poverty is unacceptable. The Union has believed it essential to devote at least 50 per cent of the increase in its official aid to the continent. We will focus our efforts at three levels. At the political level, we will strive to support the African Union and regional organizations and to strengthen governance. At the economic level, we will provide financing for the major trans-African communications networks, backbone infrastructures such as motorways and railways and infrastructures that will make it easier for countries to join those networks. At the social level, we will help improve access to basic services with a view to enhancing equality and social cohesion.

The entire donor community must keep its promises. All donors must fulfil their promises to honour their development commitments. That was agreed at Monterrey. To improve the quality of our aid, we must improve its coordination. We need to distribute the work so that we can focus our energies on the sectors in which each of us has added value to offer.

Europe has shouldered its responsibilities to ensure that the summit to be held in New York in September is ambitious and that it brings about change. The Union invites the other actors of the international donor community to be as positive, resolved and ambitious as we are. Development is not limited to mobilizing funds on an exceptional basis when there is no other choice and when the media manipulate people's emotions. Development is a constant obligation of freedom. We must use it as both committed actors and patriots of the world. As Nelson Mandela has said,

> "...overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom"

The meeting rose at 1.10 p.m.